

MacCONAGHY & BARNIER, PLC  
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Proposed Attorneys for Debtors  
and Debtors-in-possession

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA

In re	)	
	)	Case No. 10-32661 TEC
621 STOCKTON DE, LLC,	)	(Chapter 11)
a California limited liability company	)	Jointly Administered With
	)	Case No. 10-32662 TEC
	)	Case No. 10-32663 TEC, and
	)	Case No. 10-32664 TEC
	)	
Debtor.	)	<b>MOTION FOR AUTHORITY TO</b>
_____	)	<b>EMPLOY BANKRUPTCY COUNSEL</b>
		<b>FOR DEBTORS-IN-POSSESSION</b>
		<b>AND DECLARATION OF PROPOSED</b>
		<b>COUNSEL</b>

TO: THE HONORABLE THOMAS E. CARLSON, UNITED STATES BANKRUPTCY JUDGE:

The motion of 621 STOCKTON DE, LLC, BAY CITI PROPERTIES II DE, LLC,  
CIVIC PROPERTIES DE, LLC, and LRL CITIGROUP PROPERTIES II, LLC ("Affiliated  
Debtors") respectfully represents:

1. On July 15, 2010, the Affiliated Debtors each filed separate voluntary petitions  
for relief under Chapter 11 of the Bankruptcy Code. Thereafter, the Court entered an Order for  
Joint Administration of Chapter 11 Cases and designated Case No. 10-32661 as the lead case.

2. The Affiliated Debtors remain in ownership and management of their respective  
estates as debtors-in-possession.

1           3.       The Affiliated Debtors, as debtor-in-possession, wish to employ the law firm of  
2 MacConaghy & Barnier, PLC as their attorneys in these jointly administered cases. The  
3 Affiliated Debtors are informed and believes that said firm generally limits its practice to the  
4 areas of insolvency, reorganization, and bankruptcy law and is well qualified to represent the  
5 Affiliated Debtors. All attorneys comprising or associated with said firm who will render  
6 services in this case are duly admitted to practice law in the State of California and in the United  
7 States District Court for the Northern District of California.

8           4.       The Affiliated Debtors have selected the law firm of MacConaghy & Barnier,  
9 PLC for the reason that the members and associates of that firm have had considerable  
10 experience in matters of this character, and the Affiliated Debtors believes that said firm is well  
11 qualified to represent them in this proceeding.

12           5.       The professional services that said law firm is to render are:

13           (a)      to advise Affiliated Debtors regarding matters of bankruptcy law;

14           (b)      to represent the Affiliated Debtors in proceedings or hearings in the Bankruptcy  
15 Court;

16           (c)      to assist the Affiliated Debtors in the preparation and litigation of appropriate  
17 applications, motions, adversary proceedings, answers, orders, reports and other legal papers;

18           (d)      to advise the Affiliated Debtors concerning the requirements of the Bankruptcy  
19 Code and Rules relating to the administration of this case and the operation of the Affiliated  
20 Debtors' businesses;

21           (e)      to assist the Affiliated Debtors in the negotiation, preparation, confirmation, and  
22 implementation of a plan of reorganization; and

23           (f)      to perform all other legal services for the Affiliated Debtors as debtors-in-  
24 possession as may be necessary herein;

25           and it is necessary for the Affiliated Debtors as debtors-in-possession to employ such  
26 legal services.

1           6.       Because of the extensive legal services required, the Affiliated Debtors desire to  
2 employ the law firm of MacConaghy & Barnier, PLC under a general retainer at the normal  
3 hourly rates for each attorney in said firm who renders services in this proceeding. At the time  
4 of the filing of this motion, the normal billing rate of John H. MacConaghy is \$400.00 per hour,  
5 the normal billing rate of Jean Barnier is \$300.00 per hour, and the normal billing rate of  
6 Monique Jewett-Brewster is \$300.00 per hour. Prior to the filing of the petition for relief, the  
7 Debtor paid to MacConaghy & Barnier, PLC a retainer in the amount of \$75,000.00, \$60,000 of  
8 which was advanced by Oxford Investments and Mortgages, the holder of a blanket junior deed  
9 of trust on the real properties owned by the Affiliated Debtors. Oxford Investments and  
10 Mortgages has no other connection or agreement with MacConaghy & Barnier, PLC, and is  
11 represented by its own counsel in these proceedings. The Affiliated Debtors have further  
12 agreed to pay said attorneys at their normal hourly rates such compensation as is allowed and  
13 ordered paid by this Court, together with actual and necessary expenses.

14           7.       MacConaghy & Barnier, PLC has a connection to other “affiliates” of the  
15 Affiliated Debtors. The Affiliated Debtors are one component of a group of numerous entities  
16 known as “The Lembi Group”, which are in the business of owning and managing real property,  
17 primarily multi-family residential real property located within the City and County of San  
18 Francisco. Within The Lembi Group, the Affiliated Debtors are designated as “Bridge 6”,  
19 reflecting the fact that their various real properties are subject to a single secured debt structure.  
20 Other entities within the Lembi Group include “Bridge 4”, “Bridge 7”, “Bridge 8A”, and “Bridge  
21 11”. MacConaghy & Barnier, PLC is currently counsel of record for the four “Bridge 11”  
22 entities in their jointly administered Chapter 11 cases pending before this Court, *In re Hermann*  
23 *Street DE, LLC*, Case No. 10-30413 TEC, *In re LRL Citi Properties I DE, LLC*, Case No. 10-  
24 30414 TEC, *In re Trophy Properties I DE, LLC*, Case No. 10-30415 TEC, and *In re Sutter*  
25 *Associates DE, LLC*, Case No. 10-30416 TEC. MacConaghy & Barnier, PLC has further  
26 performed legal services for the Bridge 4, 7, and 8A entities concerning their respective

1 relationships with their secured creditors.

2 8. In the ordinary course of business of The Lembi Group, numerous common  
3 expenses are pro-rated among the different Bridges and entities, there are numerous payments  
4 among the different entities to compensate for these shared expenses, and there are numerous  
5 other inter-company receivables and payables. Among other things, the Affiliated Debtors hold  
6 combined inter-company receivables due from the four Bridge 11 entities as follows: (1) 621  
7 Stockton DE, LLC – \$700.00; (2) Bay Citi Properties II DE, LLC – \$3,600; (3) Civic Properties  
8 DE, LLC – \$31,950; and (3) LRL Citigroup Properties II DE, LLC – \$150,500. Further certain  
9 of the Affiliated Debtors in the instant jointly administered cases may hold inter-company  
10 receivables against each other. To the best of the Affiliated Debtors’ knowledge, the law firm  
11 of MacConaghy & Barnier, PLC and its members and employees have no other connection with  
12 the Affiliated Debtors, their creditors, any other party in interest, the United States Trustee or  
13 any person employed in the Office of the United States Trustee, or their respective attorneys and  
14 accountants, to the extent applicable.

15 9. To the best of the Affiliated Debtors’ knowledge, the law firm of MacConaghy  
16 & Barnier, PLC and its principals and employees are “disinterested persons” as that term is  
17 defined in 11 USC § 101(13), and their employment would be in the best interest of the estate.

18 WHEREFORE, the Affiliated Debtors pray that they be authorized to employ the firm of  
19 MacConaghy & Barnier, PLC, of Sonoma, California, under a general retainer to represent them  
20 as debtors-in-possession in this proceeding under Chapter 11 of the Bankruptcy Code, and that  
21 the Court grant such other and further relief as it deems proper.

22 Dated: August 11, 2010

621 STOCKTON DE, LLC  
BAY CITI PROPERTIES II DE, LLC  
CIVIC PROPERTIES DE, LLC  
LRL CITIGROUP PROPERTIES II DE, LLC

25 /s/ Edward C. Singer, Jr.  
26 By Edward C. Singer, Jr., Authorized Agent

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1. I am an attorney and counselor at law, duly admitted to practice in the State of California and before this honorable Court.
2. I am a principal of the firm of MacConaghy & Barnier, PLC, whose offices are located in Sonoma, California.
3. Except as set forth in paragraph 7 and 8 above, neither my firm, its principals, nor its employees have any connection with the Debtor in this proceeding, its creditors, any other party in interest, their respective attorneys and accountants, the United States Trustee, or any person employed in the Office of the United States Trustee.
4. My firm represents no interest adverse to the Debtor as Debtor-in-possession herein, or its estate in the matters on which it is to be engaged.
5. My firm will not share its compensation with any other person, or enter into an agreement to share its compensation with any other person.
6. I acknowledge and agree that allowance of compensation to my firm is subject to exclusive jurisdiction of the Court after notice and hearing pursuant to the provisions of Bankruptcy Code Section 330.

19 Executed on August 12, 2010, at Sonoma, California.

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**DECLARATION OF SERVICE BY EMAIL**

I am a citizen of the United States, over the age of 18 years and not a party to the within action. My business address is 645 First Street West, Suite D, Sonoma, California 95476.

I served true and correct copies of the **MOTION FOR AUTHORITY TO EMPLOY BANKRUPTCY COUNSEL FOR DEBTORS-IN-POSSESSION and DECLARATION OF PROPOSED COUNSEL**, by placing said copies in the United States Mail at Sonoma, California on the date shown below, and in a sealed envelope(s) with first-class postage prepaid, addressed to the person(s) below.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at Sonoma, California on August 12, 2010.

/s/ John H. MacConaghy  
John H. MacConaghy

Office of the U.S. Trustee  
U.S. Department of Justice  
235 Pine Street  
San Francisco, CA 94104